

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**

Postal Regulatory Commission
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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
ALTERNATIVE DELIVERY PROVIDER 1 CONTRACTS
NEGOTIATED SERVICE AGREEMENTS

Docket No. MC2017-82

COMPETITIVE PRODUCT PRICES
ALTERNATIVE DELIVERY PROVIDER 1 CONTRACTS (MC2017-82)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-111

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1,
WITH PORTIONS FILED UNDER SEAL
(February 13, 2017)**

The United States Postal Service hereby provides its response to Chairman's Information Request No. 1, issued on February 8, 2017. Each question is reprinted verbatim in the attached and is followed by the Postal Service's response, portions of which are being filed under seal. The Postal Service incorporates by reference the application for non-public treatment it originally filed in this docket for protection of these materials, which contain confidential business information of the Postal Service and its delivery agent.

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Respectfully submitted,

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February 13, 2017

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1. The Request provides that the Postal Service will provide customer service to U.S.-based ADP 1 customers. Request at 4. However, there is no cost information in the financial workpapers accounting for the cost to the Postal Service to meet this obligation. Please provide updated workpapers, which reflect the costs of meeting that obligation.

RESPONSE:

As it does for other customers who have signed negotiated service agreements (NSAs), the Postal Service will respond to any inquiries from its U.S.-based ADP customers (i.e., the shippers who sign ADP 1 NSAs) made to a Postal Service Business Service Network (BSN) representative. The BSN representative will assist the U.S.-based customer in obtaining resolution with the Postal Service's delivery agent. The Postal Service's delivery agent will directly respond to any customer service inquiries from end recipients, i.e., consignees, located in a Destination Country. Tracking information will be available on USPS.com and any phone calls made to the Postal Service's toll-free customer service center will be automatically routed to the Postal Service's delivery agent for response. As a result, the Postal Service has not quantified the limited cost specifically attributable to ADP 1 for any customer service to be provided by the BSN representative.

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2. Please refer to the Excel spreadsheet "Public Workpapers," tab "01_Inputs," array C50:D50, which was filed with the Request. Please disaggregate the "Contract Partner Handling Costs" by processing, transportation, delivery, and settlement.

RESPONSE:

Please see the Postal Service's responses filed under seal.

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3. Please refer to the Request, Attachment 4 at 4, Article 15 of the ADP1 Contract. Please specify the type of duties paid by the Shipper.

RESPONSE:

The duties, taxes, and/or fees references in Request, Attachment 4 at 4, Article 15 are the duties, taxes, and/or fees that may be collected by the destination country. For each country, its de minimis value determines the level of duties, taxes, and/or fees assessed to incoming imports from international shipments. The calculation for duties, taxes, and/or fees is based on a percentage of the customs value of the goods (usually including item value, insurance, and shipping charges). At this time, the *ADP Drop Shipment Requirements* states that the Consignee, rather than the Shipper, shall pay any duties, taxes, and/or fees to the Postal Service's delivery agent, which then renders payment to the Destination Country.

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4. Please refer to the Request, Attachment 4 at 1, Article 2 of the ADP1 Contract.
Please provide a copy of the document titled ADP Drop Shipment Requirements.

RESPONSE:

The requested document is being filed under seal in conjunction with these Responses.